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CITY OF VALLEJO RESPONSE TO GREEN VALLEY LANDOWNERS' ASSOCIATION LAWSUIT CLAIMING HIGH WATER BILLS

VALLEJO, CA – The Green Valley Landowners' Association (GVLA) sued the City of Vallejo today claiming that the City overcharged Green Valley Customers for water. In its \$70 million claim for damages, GVLA alleges that Green Valley Customers pay annual water bills of \$7,000.

With an estimated median house value of \$528,406*, and an estimated median household income for 2011 of \$114,670, Green Valley is one of the most affluent areas of Solano County, and #22 on the list of Top 101 cities with the largest percentage of professionals in legal occupations (Judges, magistrates and other judicial workers). *(<http://www.city-data.com/city/Green-Valley-California.html>.)

In a press release issued today, GVLA complains of high water bills, and that it is afraid that the utility will be purchased by a private company, resulting in decreased property values.

In response to the lawsuit, Vallejo City Attorney Claudia Quintana explained: "California tightened its water standards years ago and this resulted higher costs for water in the Lakes Water System area, due in part to a \$7.25 Million debt to pay for statutorily required improvements to the water treatment plan that provides water to customers specifically located in the Green Valley area. In prior years, customers residing in less-affluent Vallejo subsidized customers in the Green Valley system, but legally, that subsidy had to stop. "

GVLA has communicated its desire to take over the system for the last several years. The City does not oppose that.

Quintana added, "The City had the system professionally appraised, and we have to let anyone interested make an offer. However, GVLA wants the system and adjoining land owned by the City turned over to them for free. The City's independent appraisal placed the worth of that system between \$10.5 to \$13.9 Million not including the non-watershed land that GVLA has also expressed an interest in acquiring."

“The City has a duty to be responsible to all its water customers, not just GVLA, and has managed the system very well. The City’s financial information is subject to public scrutiny. GVLA has requested and received multiple public records pursuant to the California Public Records Act”.

In recent weeks, GVLA has renewed its interest in acquiring the water system, and expressed to the City that it was taking the first steps to form an organization that could potentially acquire the system from the City of Vallejo.. The City provided correspondence to GVLA on January 10, 2014 explaining that 1) there was no risk of imminent sale, 2) any sale would have to go through a Request for Proposals process, and be considered and approved by the City Council at a noticed public hearing, and 3) the City would notify GVLA when it comes time to solicit offers for the system. So with that background, a filing of a lawsuit that seeks to prevent an imminent sale to an unidentified private party seems unnecessary.

The City views this lawsuit is as a tool used by Plaintiffs to obtain leverage from the City in a potential transaction. “We just do not see any merit to their demands and we are prepared to vigorously defend the City’s interests and the interest of all of our ratepayers.” Quintana said.

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